



Cleveland District Office News

Information for the Small Business Community

July 2006

U.S. Small Business Administration
Cleveland District Office

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July 2006 Newsletter
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For More Information
SBA Home Page: www.sba.gov

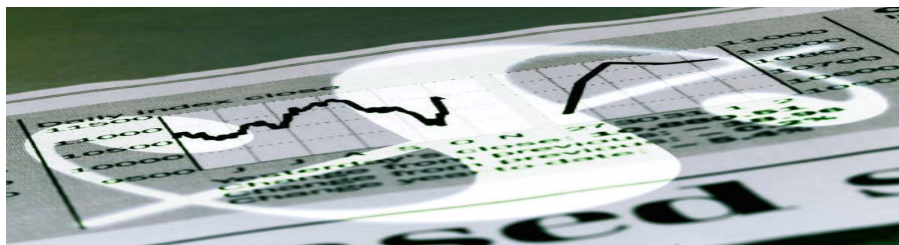
- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk: 1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness: 1-800-REG-FAIR

All of the SBA's programs and services are provided

to the public on a non-discriminatory basis.

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LOAN REPORT as of June 30, 2006



Total Loan Volume – JUNE 2006 (7(a) and 504 Combined)

Bank	Number of Loans	Dollars (In Thousands)
Charter One Bank	508	\$25,224
National City Bank	191	\$25,246
US Bank	142	\$6,863
FirstMerit Bank	125	\$21,109
JP Morgan Chase Bank	113	\$17,947

504 Loans

Bank	Number of 504s
KeyBank	17
National City Bank	14
FirstMerit Bank	13
Huntington National Bank	8
JP Morgan Chase Bank	7

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	32	\$10,131
Cascade Capital Corp.	18	\$7,755
Stark Dev. Board Finance Corp.	12	\$3,056
Lake County SBAC	11	\$2,775
MVEDC	10	\$5,537
Horizon Certified Dev Co, Inc.	3	\$4,064
Ohio Statewide Development Corp.	3	\$1,722
Community Capital Dev. Corp.	2	\$464
Lucas County Improvement Corp.	1	\$720
MEACO	1	\$350
Northwest Ohio Dev Ass't Corp.	1	\$258
West Central Partnership	1	\$196

Youngstown Initiative Gets New Funds, Is Revamped

On June 12, 2006, a press conference was held at the Youngstown Chevrolet Centre announcing the new funding and changes to the highly successful Youngstown Initiative. Gil Goldberg, Director of the SBA Cleveland District Office, SBA Regional Director Pat Rea, Youngstown Mayor Jay Williams, and other city officials spoke at the press conference.

The Youngstown Initiative is a partnership of area banks, the City of Youngstown, and the SBA. The Youngstown Initiative has been around since 2001 and has funded more than 60 performance grants to businesses and created 650 new jobs.

With the City of Youngstown getting 1.5 million in new funds, the city can now provide qualifying businesses with increased performance grants up to \$100,000 (20% of project cost) along with 75% tax abatements, waiver of city permit fees, demolition grants up to \$50,000, facade grants and technical assistance grants.

In addition the seven participating banks (JP Morgan Chase, Farmers National, First National, Home Savings, Key Bank, National City, and Sky Bank) have agreed to make SBA guaranteed loans to borrowers within the City of Youngstown at prime interest rate. The SBA loan can be a 7(a) loan up to \$2,000,000 maximum or a 504 loan up to \$4,000,000. The SBA portion of the 504 loan is at attractive long term fixed rates as low as 7% (20 year effective fixed rate – June 2006).

Regional Director Pat Rea commented, "Youngstown is alive, well, thriving and progressing, and overwhelmingly doing this itself." District Director Gil Goldberg said, "You are not giving away money. You are being a risk taker and being innovative in helping qualifying businesses become more competitive and create jobs."

News for SBA Lenders

Revision of IRS Form 4506-T Announced

A new IRS Form 4506-T (April 2006) with the SBA Logo on the form is now available on SBA's Intranet site (<http://yes.sba.gov/forms/>) and the SBA Banking site (<http://www.sba.gov/banking/>). The new form is to be used instead of the previous IRS Form 4506-T (November 2005). This Notice applies to the 7(a) and 504 Loan Programs.



4th Quarter FY 2006 "Peg" Rate Announced

The optional peg rate for fluctuating interest rates on guaranty loans is 5 1/8 percent (5.125%) for the July – September quarter of FY 2006. The "optional peg rate" can be used as the base rate for SBA 7(a) loans that are amortized on a variable rate basis in lieu of the low prime rate published in national financial newspapers each business day.

If you have any questions about these items, please contact our Lender Relations Division at (216) 522-4180.♦



Above: SBA Region V Administrator Patrick Rea, SBA Cleveland District Director Gil Goldberg and Youngstown Mayor Jay Williams.

Below: Regional Administrator Rea remarks on the initiative as Mayor Williams, Governor Taft's Regional Representative on Development Julie Michael Smith and District Director Goldberg look on.



Updated Small Business Statistics from the Office of Advocacy - Small Business Frequently Asked Questions (FAQ)

SBA's Office of Advocacy recently updated its popular "Small Business Frequently Asked Questions" about small business. The easily printed, complete FAQ with tables is now available on our web site:

<http://www.sba.gov/advo/stats/sbfaq.pdf>

We all know that small business is a vital part of our economy and our communities. You can help us spread that word by directing people to our web site, printing and distributing the FAQ, and using these statistics when appropriate.

Revisions include raising the estimated number of businesses to 25.8 million (of which 99.7% are small businesses) and estimating the number of firm births and closures for 2005, which are 671,800 and 544,800 respectively. If you have any questions about this, please feel free to contact our office. ♦

Cleveland District Office Program Staff

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SBA and Congressman Ted Strickland Host Small Business Seminar

On June 9, 2006, Lisa Duvall from Congressman Ted Strickland's office hosted a seminar for small business owners and area bankers at the Jefferson Community College in Steubenville, Ohio. During this seminar various representatives from the SBA Cleveland District Office spoke about financial assistance, government contracting, and management assistance available. Representatives of the USDA, Stark Development Board and the Tuscarawas Small Business Development Center also spoke. After the seminar there was a question and answer session. This was an informative event for all involved. ♦



Lisa Duvall of Congressman Ted Strickland's office and SBA Cleveland District Director Gil Goldberg answer questions during the seminar.

SBA Stands Ready To Assist Victims of Recent Severe Storms, Tornadoes and Flooding

Following the announcement of the Presidential disaster declaration in Ohio that covers several counties as a result of severe storms, tornadoes and flooding, SBA stands ready to assist the victims of the incidents. President Bush has declared as disaster areas the following counties: Cuyahoga, Erie, Huron, Lucas, Sandusky and Stark counties and the contiguous counties of Ashland, Carroll, Columbiana, Crawford, Fulton, Geauga, Henry, Holmes, Lake, Lorain, Mahoning, Medina, Ottawa, Portage, Richland, Seneca, Summit, Tuscarawas, Wayne and Wood. SBA provides long-term, low-interest disaster loans to large and small businesses, homeowners and renters as well as non-profits. Economic Injury Disaster Loans (EIDL) are also available to small businesses unable to pay bills or meet operating expenses. Loan amounts and terms are set by SBA and are based upon each applicant's financial condition. To be considered for all forms of disaster assistance, victims must first call the Federal Emergency Management Agency (FEMA) at 1-800-621-FEMA (3362). Additional details on the location of assistance centers and the loan application process deadlines can be obtained by calling the SBA Customer Service Center at 1-800-659-2955. ♦

Correction to the June Newsletter: "Toledo E-Technology Training Event to be Held in July" (page 5); Registrar Lisa Washington's phone number is 419-535-6000. Our apologies.